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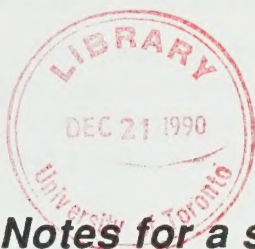
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***Notes for a speech by Allan Gotlieb,  
Chairman of the Canada Council,  
to the Junior Achievement of Metro Toronto  
and York Region Board of Governors' Dinner***

***Canada in the 1990s —  
the Canadian Cultural Challenge***

TORONTO  
8 NOVEMBER 1990



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Good evening, Ladies and Gentlemen.

May I commend all of the Business Volunteers and the corporate leaders who support Junior Achievement. I am honoured to be present on this celebratory occasion in the presence of distinguished junior achievers, prominent business leaders and supporters of this unique organization. I am privileged to be able to share with you some of my thoughts on the cultural challenges facing Canada in this decade.

You must be wondering what sort of Canada you will be working and living in, and how you will be involved in shaping it in the next millenium. You must be wondering because, after all, what we have been witness to in the past year and a half or so is one of the greatest social and political disjunctures in history.

The end of the Cold War, the death of communism, the liberation of Eastern Europe and collapse of the Soviet Empire, the unification of Germany, the possible break-up of the Soviet Union itself, the formation of a new European super state--wasn't all this enough change to be crowded into a brief moment of history? Enough change, as Zbigniew Brzezinski said, to make 1989 the most important year in history--not just since 1848, when the winds of rebellion swept across Europe, but since 1789, the French Revolution and the creation of the United States of America?

No, it seems, it wasn't change enough. This year we have seen the spectacular birth of the post Cold-War order, a world in which threats to the peace come not from superpower conflict but from the emergence of powerful regional aggressor states such as Iraq, with the technical capacity to wage chemical and perhaps even nuclear war. And a world which offers a miraculously transformed United Nations. We have waited almost half a century to see the original intent of the framers of the U.N. Charter--the establishment of the Security Council as the world's policeman--begin to come to fruition.

Looking at all these changes that have unfolded in a mere moment of history, we have to ask ourselves what on earth is going to happen next. What's the future really going to be like?

I'm going to try to answer that question, in the course of my remarks, and to draw a few conclusions for Canadians. But please forgive me if my vision proves wrong. As some wit put it: "He who lives by the crystal ball ends up eating ground glass." Or, as another said, shortly after the totally unpredicted collapse of the Berlin Wall: "Never since the time of Copernicus have so many experts been so wrong, so often, with so little sense of humility."

Having made my excuses, let me plunge into the future. The world is going to see the rapid acceleration of two existing trends, not fully compatible with each other: one towards universalism, the other towards particularism.



Surely the most astonishing development of our time is the march towards economic and political union in Europe, that is to say, towards a Pan-European confederation, towards--dare one utter the words--a United States of Europe. The nations that created the concept of the sovereign nation-state, the nations that engaged in the most hideous wars in history in its furtherance or defence, killing a hundred million people in the process, these nations of Western and Central Europe are now engaged in the greatest voluntary transfer of sovereignty in history.

While second to none in my admiration for the British contributions to freedom and human rights, we must not see Europe through the prism of Mrs Thatcher or through the filter of some of her fellow countrymen, who look backwards at history through sovereignist eyes. Just last week Britain was odd-man out again, as eleven of the European nations, Britain dissenting, declared the goal of economic and monetary union by 1 January 1994. Yes, there will be much lurching forwards and backwards and sideways and there will be many setbacks but the movement towards the world's largest, richest and most populous superstate is irreversible. And a good thing too. The world does not need a powerful united Germany unbound from the iron links of a supra-national European state. The world does not need any more European civil wars.

But if Europe is integrating into a super-state of some 400 million plus, what are we to make of events in the Soviet Union? What about the surge towards sovereignty among the 15 Soviet Republics and the rebirth of old nationalisms in Eastern Europe? Does this suggest a contrary trend?

The world's largest federation was put together by conquest and maintained through the mechanisms of a police-state. The ultimate creator of the Soviet Empire, Joseph Stalin, will take his place in history as one of the wickedest rulers of all time. What cracked the armature of the world's most powerful corporatist state, what is now the agent of its disintegration, is not guns or power but an idea, the idea of liberty and human rights. It is appropriate, and inevitable, that a state glued together by terror and fear should disintegrate, or if it does not, then reconstitute itself on the basis of a new legitimacy--the will of the people democratically determined.

So far as the Eastern Europeans are concerned, it is the deepest, strongest desire of many of them to become part of the European federation as soon as possible. Poland, Czechoslovakia and Hungary are clamouring to join the Community and have formed a queue behind Austria, Turkey and others. This has led to the current European debate about "broadening" versus "deepening."

Should the Western Europeans, as European Community President Jacques Delors advocates, transfer more of their sovereignty to the Community first, i.e. *deepen* the union, and only then open the Community up to the Eastern and other European powers for full membership? Or should they, as Mrs Thatcher wants, *widen* the Community first by allowing these states to enter into a broader,



looser federation and then proceed to deeper union. Personally, I believe that the "deepeners first" have it, but whether they do or not, the burgeoning dynamic Community with a unified Germany at its centre will be a magnet to the peoples not only of Eastern Europe but of a disintegrating Soviet Union.

Indeed it is possible to see the Baltic states of the Soviet Union becoming part of the European Community in the not too distant future followed by some other Soviet European States. Is it farfetched to see the Russian Republic itself, with its some 150 million people, ultimately joining an expanding supra-national European Community? No, it is not and the time may come sooner than we think for the emergence of a federated Europe of some 800 million people stretching from the heartland of Asia to the Atlantic coast with the Russians and other Slavic peoples rightly taking their place in a resurgent European superstate.

When we look beyond Europe we see economics driving the North American continent into a free-trade zone of some 360 million people; a Canamerico, so to speak, of considerable wealth and power, but not tending towards economic union or a broader federation, unless, of course, Canada were to break up! It is my deep conviction that this will not happen, but I shall return to this subject in a minute.

In Asia, the sun of Japanese economic power is still rising, making it likely, or inevitable, that Japan will assert far greater political power in Asia and the world. While demography and ethnic diversity make a large Asian political federation unlikely in the foreseeable future, a wider Pacific trading and economic area will continue to evolve, led by Japan and consisting of the dynamic Asian nations and other newly emerging Asian states including a soon-to-be united Korea.

Whatever the outcome may be of the Uruguay Round of Multilateral Trade Negotiations, the picture that emerges is one of economic trilateralization on the broadest scale, with the three legs of the triad each being structurally different. Europe will be a political and economic super-union; North America will increasingly be a free-trade zone led by the U.S. and opening to additional Latin-American countries; and a Pacific trading and economic community will be led by an ascendant, hegemonial Japan.

Accompanying this trend to larger federations and transnational economic blocs or zones is another trend, also with us some time and accelerating. I speak of the emergence of what I call, for want of a better term, a *universal software*--culturally related phenomena which become more and more universal in their reach, more and more pervasive, dense and instantaneous in their impact and composed of a diminishing number of elements. The sine qua non for the rise of universal software has been the revolution in communications technology.

News of events in every part of the globe reaches hundreds of millions of viewers instantaneously, via satellite: World Cup Soccer, the Chernobyl



disaster, a sudden drop in the price of gold on the Nikkei exchange, or a native blockade at Oka.

The capacity for instant communication has led to a much broader awareness of national and regional issues, creating a growing common grammar of world concerns. The increasing concern for the environment stems in part from the world-wide attention to oil spills and other ecological disasters; the devastating droughts and famines of the African continent have been brought full force into our living rooms; the outbreak and spread of virulent disease and the growing discrepancy between the poverty-stricken and the extremely well-off--these images and facts are increasingly the subject of widespread scrutiny. We are beginning to realize that such problems are not confined to one or several nations but affect the survival of the world community.

Especially within the "triad" of North America, Europe and Japan, communications technologies have helped create world markets for consumer goods that become icons or symbols of modern living--Coke, Sony, IBM, Gucci, and so on. The export of food, fashion and consumer goods is creating similar markets everywhere for these world brands, and with resulting similar life styles: sushi bars, McDonald's and croissant shops in major metropolitan centres around the world.

Although U.S. economic power has been declining, the overwhelming export of American cultural commodities to world markets, and American genius for mass culture and for the artifacts of universal software, will ensure its continued dominance as the global super power, at least for some time to come.

U.S. super-films dominate the cinema not just in Canada but over most of the globe; the popular music that is sung anywhere in virtually every nook and cranny of the world is American rock; the fare which is projected from television sets in areas separated by thousands of miles, over what used to be regarded as barriers of culture, language, custom, economics, national policies and so on--this fare is the American sitcom. Now CNN is available in over 80 countries.

Think of Batman or Madonna, and try to find yourself a place on the globe where you are not destined to be accompanied by the ocean of hype that our screens and newspapers pour out, not least here in Toronto where our media can compete with anyone for touting and trumpeting the latest Hollywood genius.

This cultural outpouring isn't limited to film and television--there are some 10,000 McDonald's established in 50 countries. Disney Corporation is establishing major Disneyland installations in France outside Paris and in Japan while new European direct satellite networks compete to provide Power Station rock channels and offer 40 per cent of their new capacity to movie networks. The European Community seeks to put a cap of 50 per cent or so on the import of American entertainment products. Whether they succeed or not won't make very much difference in terms of cultural consequences.



There is a fundamental paradox at work here, a paradox of gigantic proportions.

We live, we are told, in the era of the information revolution: the era of the mass explosion of channels and circuits, wires and cables, satellites and mobile phones and electronic highways spanning continents and oceans; in the era of personal information systems in which an individual can create a personally tailored information universe; an era of ever more creative and individualized software, that allows us to interact with our own carefully created data-bases.

But even while this explosion of capacity takes place, the software, the programmes that determine our lifestyle, our habits and our hobbies, our very ways of thinking, do not multiply. No, the opposite is true. The programming that dominates the electronic roads, the material that the satellite beams directly into homes become ever more similar and ever more reductive.

There lies the paradox--the greater the capacity, the less individualized the content.

Canadians tend to see this phenomena not simply as homogenization but as Americanization. We are not entirely wrong.

We hear often from American "declinists" who tell us that American power is shrinking. The Americans, it is true, have lost some of their industrial primacy in recent years. But in the area of what is called "soft-power"--the world of film, video, music and lifestyles--the Americans continue to dominate not just Canada but the world.

We must recognize that, in a highly competitive world, the capacity to produce universal entertainment is the true American genius, and the country's area of competitive advantage. It is not based on economic domination, for the simple reason that the U.S. ceased to dominate the world economically some time ago. The reality is that the American people, since the time of Hollywood, and now more than ever, have the talent to define the rhythm the world moves to, the heroes and heroines the world dreams of, the symbols and styles that influence our lives.

I don't suggest that it is *only* the Americans that produce the universal software. The communications revolution is resulting in a mass of global products, packages, cultural artifacts and fads emerging from other national sources, such as Japan, Italy and so on. I underline only the pre-eminence of American cultural power.

It is against the background of these extraordinary political and cultural changes that the urge towards particularism, collective self-expression and cultural identity is manifesting itself. Some commentators speak of an explosion of "ethnicity," by which they mean the people's desire to identify with a community that is close to them. Others refer, more disparagingly, to "tribalization" when discussing the same phenomena.



To such urges and desires is ascribed the resurgence of nationalism in different parts of the globe, the weakening cohesion of states and, virtually everywhere, the persistent commitment to cultural and regional identities.

The truth of the matter is that this urge towards particularism is very understandable. It is, I believe, even inevitable. The forces that are creating larger federations, larger economic zones, universal forms of entertainment and the like are also driving the engines of particularism--the need to identify oneself, to reinforce one's identity, to know who one is and who one's children will be.

No country is immune from the operation of these twin forces of universalism and particularism. None can escape the profound changes in world trade and competition, and none can escape the impact of the universal software. The impact of these twin forces is being felt in Japan, France, Germany, the Soviet Union, Eastern Europe, the countries of the Third World, and of course, in the U.S.

But truly no country is experiencing their furious impact more than Canada.

Against these trends and background, I turn to the role of the public in the support of the arts. Let me put my proposition simply: the communications revolution and the emergence of the homogenizing universal software make the role of the state in fostering the cultural life of nations more important--far more important--than ever before in history.

Of course, the public role in subsidizing the arts is not a new thing. Massive public-sector support for great museums and opera houses and theatre has long been a major characteristic of the arts in many lands. Most democracies created national television broadcast services and established public or national ownership of various segments of the communications infrastructure such as telephone systems, cable, satellite and so on. But as the electronic highways of the world exploded in number, and satellites, cable and video revolutionized the capacity to transmit entertainment and knowledge to human kind, it became much clearer that the ownership of the hardware might, in the long run, be much less important than the production of the software.

The principal challenge for the state today in the cultural sphere is to foster the creation of the content that is carried on those electronic systems and video screens. The spectacular growth of the homogenized universal software has made this one of the primary national tasks of our time.

In European countries, it has long been understood that subsidizing creativity and artistic expression and performance is a prerequisite for a nation's cultural vitality. In a recent comparative study of government levels of financial support for orchestras and theatres, the European governments' contribution amounted to some 80-90 per cent of these organizations' revenues. This compares with some 30 per cent support by all levels of government in Canada.



During the past 50 years, probably the most significant decision by the Canadian government in the encouragement of national cultural creativity was the formation of the Canada Council in 1957, to foster and promote the enjoyment, study and production of works in the arts.

The creation of the Council fulfilled the major recommendation made a few years earlier by the Royal Commission on National Development in the Arts, Letters and Sciences, chaired by Vincent Massey. Massey reported that the cultural landscape in Canada was virtually barren. Professional theatre was "moribund," musical life was carried on bravely in church basements and school gymnasiums but almost nowhere else, and over the period of a year English Canada produced a grand total of 14 works of fiction.

Since that statement was made, the world of the arts in Canada has changed so profoundly that it is unrecognizable. In all due conscience, the Canada Council deserves a considerable measure of credit for this. Indeed, as one of our leading newspapers pointed out just a few weeks ago, "In its 33-year life, the Canada Council has provoked a revolution in Canadian attitudes."

In 1957 Canada had four professional theatre companies. Today the Council provides financial assistance to 197 located in every province and the Yukon, many in middle-sized and small communities. The Council now provides grants to 31 orchestras, 164 publishing houses, 35 dance companies, 65 organizations producing and distributing film and video works, more than 50 artists' centres and over 80 public art galleries and 100 cultural periodicals. Canadian artists in all disciplines have achieved national and international renown, giving Canadians a sense of their identity and their place in the world. New organizations are emerging, earning their spurs as professionals, and meriting Council help. Without having in any way lost our access to important works of the international canon, we have made it possible for our creators to tell our stories to our people.

In short, the Canada Council has become the premier vehicle for encouraging creativity and artistic expression in Canada.

What is the cost of this to Canadians?

Each Canadian pays about \$4 a year for the Council--approximately half the cost of a single admission to a movie. For this amount, Council benefits reach some 60,000 Canadian artists annually, through direct grants to people or grants to organizations which engage artists to perform, exhibit, publish and distribute their work.

The Council has profoundly altered the way Canadians see each other and are seen by others around the world. It is a pan-Canadian institution with a national mandate, not merely an arbiter between the regions. It is a genuinely national institution--I cannot emphasize this point too strongly. While it encourages artistic expression in every region of the country, the Council steadily



*Canada in the 1990s --  
the Canadian Cultural Challenge*

works towards the goal of a vital national cultural life. We have never lost this Pan-Canadian vision nor shall we.

While supportive of change and diversity in every part of Canada, for the Council the whole is and will remain more than the sum total of the parts.

Much of the glue that has helped fasten Canada together came out of the bottle marked Canada Council. "The success of the Canada Council," to quote a recent Montreal Gazette article, "must rank as one of the greatest achievements of Canadian evolution."

The *economic* benefits of all this activity are enormous: the estimated size of the arts industry in Canada in 1987 was \$13.7 billion, which includes the direct employment of artists and all those associated with producing and distributing their work. The full economic impact of the arts industry has been calculated to be as much as \$29 billion.

But there is reason to be concerned about the future of the Canada Council.

In the last decade in Canada, there has been a particular focus on the cultural industries. For instance, the government has created the Feature Film Distribution Fund (\$17.8 million), the Sound Recording Programme (\$4.5 million), and the Cultural Industries Development Fund (\$33 million over five years).

There has also been a focus on capital projects and hardware. The Government has built the marvellous new National Gallery and Museum of Civilization, and has recently announced major contributions of over \$100 million for new arts performing facilities in Toronto, Montreal and Edmonton. Fine buildings dedicated to the performing arts have mushroomed all over Canada since 1967 in every region of the land. Major injections of public capital and generous infusion of private capital have helped create this first-class infrastructure from coast-to-coast. If you total what the federal government spends annually in cultural industries, including the CBC, it amounts to some \$2.4 billion.

The Canada Council's budget this year is \$104 million.

Yet, as the government's principal agency for funding the arts, the Canada Council is now more crucial than ever to the cultural life of the country. With its sustaining grants to performing groups and grants to creators, with its support of innovation and experimentation in the arts, its commitment to touring and access to the visual arts, the Council is in the key position to advance the development of artistic life in our own country. The artist is the base of all artistic production, and the Council is the artists' major supporter.

Quite frankly, what has so far been missing in our national cultural strategy to date is the same level of economic commitment and support for the



artists who create and interpret the works of art as has been spent on these new facilities and means of distribution.

The government must restore some balance to its support of cultural activity in Canada by devoting more funding to the artists and to Canadian creativity. Otherwise, our investments in the infrastructure of the cultural industries--for the express purpose of developing and maintaining a Canadian cultural life and identity--will have largely been for naught.

Never before in history has the role of the state in nurturing creativity and artistic expression been more important. This is not to denigrate mass culture. This is not to denigrate the popular entertainment industries and the public taste for them. This is not to praise elitism. It is simply to acknowledge the essential role of artistic expression in the preservation and enhancement of a nation's culture and spiritual life.

Parliamentary appropriations to the Council over the last five years have increased only marginally, with targeted funding for specific programmes, or short-term infusions making up the better part of the increase.

If special short-terms funds and tied funds for book publishing and public lending rights are excluded, the Council's parliamentary appropriation rose just an average of 2.8 per cent annually during the past six years, while the Consumer Price Index rose 4.6 per cent annually in the same period.

Thus Council's ability to address its mandate has diminished and the funds available are inadequate to the task at hand.

The Council has been unable to maintain support of artists and arts organizations at a level sufficient to allow them to sustain their activities. The result is that deficits are mounting at arts organizations (now almost \$20 million in total), and new and emerging artists are left with little access to Council programmes.

The Council is hamstrung in its ability to respond to new technologies, to new directions and to the multitude of communities that legitimately seek its support.

I am, of course, fully aware of the current climate of fiscal restraint and of recession. Artists are all too familiar with frugality. In a 1989 study of professional artists' incomes, it was revealed that fully one quarter to one third of artists have earnings below the poverty line. Do you know how much the average professional dancer earns? \$13,000 a year. Do you know how much the average professional actor earns? \$15,000 a year.

The Council is seeking a substantial increase to its funding base in order to meet its needs. We have put before the government a request for funding for the next three years to allow the Council to fulfill its mandate to maintain and invest in Canada's future cultural life.



Although the Council's needs are much greater, we have focused our request on the most urgent priorities.

High among those is the need to address the requirements of our arts organizations and institutions. These organizations have seen the Council's share of their revenues shrink significantly in recent years, but have been successful in seeking funding from other sources, both at other levels of government and most importantly from the private sector.

What about funds from the private sector? Without doubt, they are an indispensable part of any organization's financial support. Many Canadian firms and organizations and individuals have been very generous towards the arts. You here in this audience are among the leaders in the business community in supporting the work of the voluntary sector in creating more opportunities for young people and building a better Canada. Your organization has done much to be proud of. But when we look specifically at the arts sector in Canada, we must face certain realities--the principal one being that private sector funds can only supplement the core support of agencies such as the Canada Council; they cannot replace it. Indeed without sustained Council support, the organizations' ability to attract funds from the private sector will be curtailed because they will have less programming to offer.

Furthermore, private sector support tends to go to established mainstream organizations and does not normally contribute to the arts research and development activities which the Council is committed to fostering as part of its mandate. As well, a significant amount of private support is destined for capital purposes, which further increase demand on the Council for operating and programming funds.

Recent information suggests that it will be difficult for the arts to achieve significant increases in support (through donations and sponsorships) from the corporate sector in the coming year. Corporate donations to culture have remained at 14 per cent of total corporate donations in the last two years. With the expected economic slowdown, adjustment to the GST and the increased number of requests to the corporate sector from charitable organizations of all kinds, it is unlikely that the corporate sector will be in a position to increase its support to the arts substantially in the next few years.

Many Canadian companies and individuals are, as I have said, generous, but, to quote a recent analysis in *The Globe and Mail*, using data from the Canadian Centre for Philanthropy: "The notion that we are as generous as our American cousins is as widespread as it is false. Nor are we dealing with some tiny, inconsequential margin of difference. The average American is nearly three times as generous as the average Canadian in terms of giving as a percentage of personal income. And corporate donations by U.S. companies, at 1.85 per cent of pre-tax profits, are 3.8 times the size of those made by Canadian companies."



In its submission to the Standing Committee on Finance, the Council outlined the impact of the Goods and Services Tax on certain arts organizations. It is a certainty that normal ticket price increases plus the GST, in a time of economic downturn, will cause a shortfall in their earned revenues in the short term.

To address the urgent needs of the Canadian artistic community, the Council requires an addition to its base of \$20 million in 1991/92, and a further \$16 million in 1992/93, and \$10 million in 1993/94. These figures are additional to the \$8 million short-term annual grant which must also be added to the base.

What kind of Canada do we want in the next decade and how will we help create it in the context of international pressures and global homogenization?

There are predictions of "a renaissance in the arts" as a major preoccupation of the 1990s and the millenium, stemming from a fundamental and revolutionary shift in values, leisure time and spending priorities.

For all the reasons I have given in this address, I am very skeptical of this. The so-called renaissance of which the media gurus and purveyors of universal software talk so freely will not have much in common with the Renaissance of the 14th and 15th centuries.

The so-called renaissance will consist of a further surge in the impact and dominance of fewer and fewer products in the global cultural constellation.

So it is of vital importance to Canadians that in this, the age of global cultural homogenization, the Canada Council and other Canadian cultural agencies be able to sustain the viability of artistic life and expression in this country.

Sadly, it is a truism to say we are going through a deeply troubling passage in the life of our country. As President de Gaulle said some decades ago at a critical time in the life of France: "We are crossing the desert." Alas, we cannot see the end of the journey and do not know what awaits us. Regionalism, alienation, anxiety, a sense of loss of purpose--these are all hallmarks of current national life. The spectre of tribalism haunts the land--everybody for me, or my group, or my spot on the map, or my cause. No one for the community as a whole. An exaggeration, of course. But how much of an exaggeration?

In such difficult times, it is not easy to build for the future. The devotion and commitment to the public interest and to the future of our young people, of organizations such as Junior Achievement and of business leaders like yourselves, is one of the reasons I, for one, believe we will succeed in crossing the desert. When we emerge we will still be one country and one of the best, at that--open, free, more self-confident, more generous, more prosperous, more just and more strong.



But to rebuild our national life and create a greater sense and appreciation of our values and of our potential, we must protect and enhance the distinctiveness of Canadian culture and of our identity as Canadians. The federal government has undertaken important initiatives towards these ends.

But I believe the time has come for the renewed commitment to an invigorated and replenished Canada Council.

By providing greater support for Canadian artistic creation, and for the production and distribution of the arts in Canada, the Government will do much to strengthen the slender threads of nationhood.

They will do much to enrich communication and understanding among Canadians.

They will help to create a deeper more brilliant, Canadian vision, over which the spectre of fragmentation will cast no shadows.







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